

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1477 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 health.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 6-7-1-12 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) The following
- 8 taxes are imposed, and shall be collected and paid as provided in this
- 9 chapter, upon the sale, exchange, bartering, furnishing, giving away, or
- 10 otherwise disposing of cigarettes within the state of Indiana:
- 11 (1) On cigarettes weighing not more than three (3) pounds per
- 12 thousand (1,000), a tax at the rate of ~~two four and seven hundred~~
- 13 ~~seventy-five~~ **twenty-five** thousandths of a cent ~~(\$0.02775)~~
- 14 **(\$0.04025)** per individual cigarette.
- 15 (2) On cigarettes weighing more than three (3) pounds per
- 16 thousand (1,000), a tax at the rate of ~~three five and six three~~
- 17 ~~thousand eight hundred eighty-one ten-thousandths~~ **forty-nine**
- 18 **thousandths** of a cent ~~(\$0.036881)~~ **(\$0.05349)** per individual
- 19 cigarette, except that if any cigarettes weighing more than three
- 20 (3) pounds per thousand (1,000) shall be more than six and
- 21 one-half (6 1/2) inches in length, they shall be taxable at the rate
- 22 provided in subdivision (1), counting each two and three-fourths
- 23 (2 3/4) inches (or fraction thereof) as a separate cigarette.
- 24 (b) Upon all cigarette papers, wrappers, or tubes, made or prepared
- 25 for the purpose of making cigarettes, which are sold, exchanged,
- 26 bartered, given away, or otherwise disposed of within the state of
- 27 Indiana (other than to a manufacturer of cigarettes for use by ~~him~~ **the**
- 28 **manufacturer** in the manufacture of cigarettes), the following taxes
- 29 are imposed, and shall be collected and paid as provided in this
- 30 chapter:
- 31 (1) On fifty (50) papers or less, a tax of one-half cent (\$0.005).

(2) On more than fifty (50) papers but not more than one hundred (100) papers, a tax of one cent (\$0.01).

(3) On more than one hundred (100) papers, one-half cent (\$0.005) for each fifty (50) papers or fractional part thereof.

(4) On tubes, one cent (\$0.01) for each fifty (50) tubes or fractional part thereof.

SECTION 2. IC 6-7-1-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) Distributors who hold certificates and retailers shall be agents of the state in the collection of the taxes imposed by this chapter and the amount of the tax levied, assessed, and imposed by this chapter on cigarettes sold, exchanged, bartered, furnished, given away, or otherwise disposed of by distributors or to retailers. Distributors who hold certificates shall be agents of the department to affix the required stamps and shall be entitled to purchase the stamps from the department at a discount of ~~one and two-tenths~~ **nine-tenths** percent (~~1.2%~~) **(0.9%)** of the amount of the tax stamps purchased, as compensation for their labor and expense.

(b) The department may permit distributors who hold certificates and who are admitted to do business in Indiana to pay for revenue stamps within thirty (30) days after the date of purchase. However, the privilege is extended upon the express condition that:

(1) except as provided in subsection (c), a bond or letter of credit satisfactory to the department, in an amount not less than the sales price of the stamps, is filed with the department; and

(2) proof of payment is made of all local property, state income, and excise taxes for which any such distributor may be liable. The bond or letter of credit, conditioned to secure payment for the stamps, shall be executed by the distributor as principal and by a corporation duly authorized to engage in business as a surety company or financial institution in Indiana.

(c) If a distributor has at least five (5) consecutive years of good credit standing with the state, the distributor shall not be required to post a bond or letter of credit under subsection (b).

SECTION 3. IC 6-7-1-28.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28.1. The taxes, registration fees, fines, or penalties collected under this chapter shall be deposited in the following manner:

(1) ~~Six Four and six-tenths~~ **ninety-five hundredths** percent (~~6.6%~~) **(4.95%)** of the money shall be deposited in a fund to be known as the cigarette tax fund.

(2) ~~Ninety-four~~ **Seventy** hundredths percent (~~0.94%~~) **(0.70%)** of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) ~~Eighty-three~~ **Sixty-two** and ~~ninety-seven~~ **ninety-six** hundredths percent (~~83.97%~~) **(62.96%)** of the money shall be deposited in the state general fund.

1 (4) ~~Eight Six and forty-nine~~ **thirty-seven** hundredths percent
 2 ~~(8.49%)~~ **(6.37%)** of the money shall be deposited into the pension
 3 relief fund established in IC 5-10.3-11.

4 **(5) Twenty-five and two hundredths percent (25.02%) of the**
 5 **money shall be deposited into the healthier Indiana insurance**
 6 **trust fund established by IC 12-15-44-14.**

7 The money in the cigarette tax fund, the mental health centers fund, **the**
 8 **healthier Indiana insurance trust fund**, or the pension relief fund at
 9 the end of a fiscal year does not revert to the state general fund.
 10 However, if in any fiscal year, the amount allocated to a fund under
 11 subdivision (1) or (2) is less than the amount received in fiscal year
 12 1977, then that fund shall be credited with the difference between the
 13 amount allocated and the amount received in fiscal year 1977, and the
 14 allocation for the fiscal year to the fund under subdivision (3) shall be
 15 reduced by the amount of that difference."

16 Page 2, after line 3, begin a new paragraph and insert:

17 "SECTION 5. [EFFECTIVE JULY 1, 2007] **Notwithstanding**
 18 **IC 6-7-1-14, revenue stamps paid for before July 1, 2007, and in the**
 19 **possession of a distributor may be used after June 30, 2007, only if**
 20 **the full amount of the tax imposed by IC 6-7-1-12, as effective after**
 21 **June 30, 2007, and as amended by this act, is remitted to the**
 22 **department of state revenue under the procedures prescribed by**
 23 **the department."**

24 Renumber all SECTIONS consecutively.

(Reference is to EHB 1477 as printed March 30, 2007.)

Senator SIMPSON